FDIC State Profile

Spring 2004

Missouri

Missouri's employment situation remained weak throughout 2003.

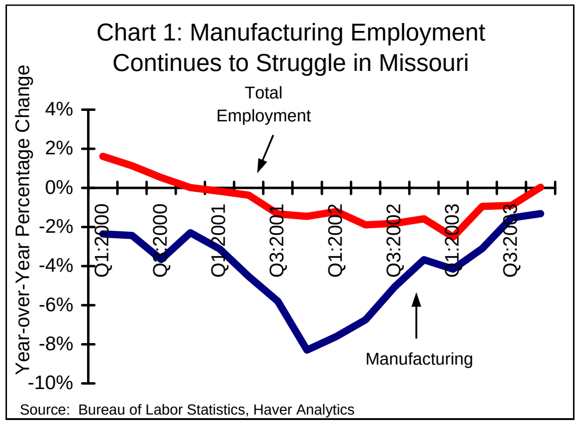
- Missouri's economy added 11,800 jobs in the fourth quarter after losing 9,300 jobs in the third quarter 2003. Total nonfarm employment in the state posted a loss of 13,500 jobs for the year 2003 (See Chart 1).
- The manufacturing sector continued to experience job losses in 2003, losing 7,700 jobs, offset slightly by a gain of 800 jobs in the fourth quarter 2003.
- Unemployment declined to 5.1 percent in the fourth quarter, compared to 5.6 percent in the previous quarter, and 5.5 percent from one year ago.

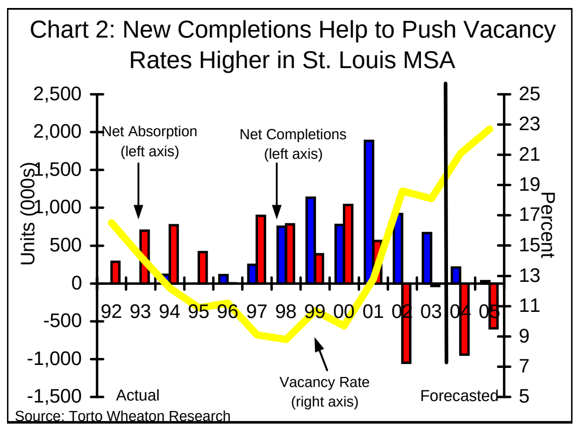
The St. Louis and Kansas City office markets have softened significantly.

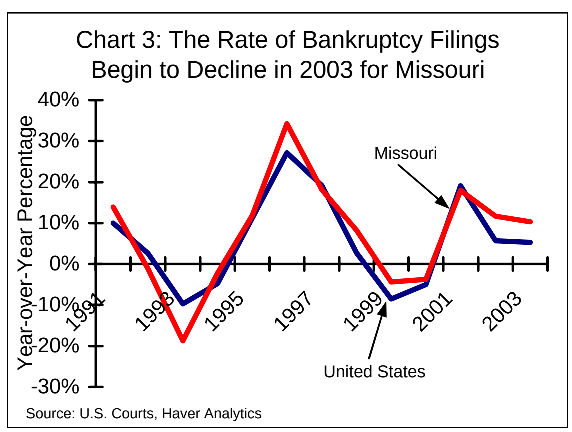
- After a brief decline in 2000, office vacancy rates increased to 18.1 percent at fourth quarter 2003 in the St. Louis metropolitan area (See Chart 2). New building completion in 2003 and negative net absorption caused by office staff reductions have contributed to the forecasted increase in vacancy rates.
- Rental rates for office space in the St. Louis metropolitan area peaked in 1998 and are forecasted to continue to decline through 2005 as vacancy rates increase.
- The Kansas City metropolitan area office market remained weak in 2003 with vacancy rates of 19.4 percent at the fourth quarter 2003, modestly higher than the 18.6 percent vacancy rate reported one year ago.

Bankruptcy filings increase in 2003.

- In 2003, the number of new filings in the state peaked at 37,830, up over three thousand from the previous year (See Chart 3).
- The year 2003 marked the third consecutive year of growth in the number of new filings for the state of Missouri, an increase of 45 percent from year 2000.
- Per capita new filings continue to rise in the state.







Missouri's Metropolitan Institutions Have Increased Their Commercial Real Estate (CRE) Exposure

- Exposure to Commercial Real Estate (CRE) has increased substantially the past few years, despite weakening CRE market fundamentals in St. Louis, Missouri City, and other metropolitan areas (See Chart 4).

- Most of the growth is in nonresidential, nonfarm properties and construction and development properties, historically the most volatile CRE segment.

- Despite weakened markets and increased CRE loan volume, CRE delinquencies remain low and CRE net charge-offs are negligible.

Missouri's Insured Institutions' Consumer Loan Portfolios Show Elevated Delinquencies and Net Charge Offs

- The economic recession has hit Missourian workers fairly hard. As chart 3 shows, personal bankruptcies are at a record pace. The stress has negatively impacted consumer loan portfolios as well.

- As seen by the 50th- and 75th-percentile series (See Chart 5), a wide swath of Missouri's institutions have experienced sharp but still manageable consumer loan delinquency increases. Net charge-off rates jumped in a similar manner.

- The one notable exception is Missouri's largest insured institutions. As seen in the aggregate series, the larger institutions' consumer loan portfolios have performed better than those of community institutions lately.

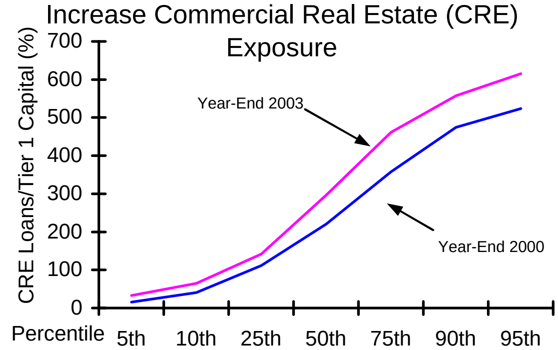
Community Institutions in Missouri Continue to Enjoy Relatively Stable Core Funding

- Missouri's community institutions' core funding remained stable in 2003, marking the third such consecutive year following years' of decline (See Chart 6).

- Missouri's community institutions apparently benefited from the influx of funds into the nation's banking system from investors seeking shelter from a weak economy and falling stock markets.

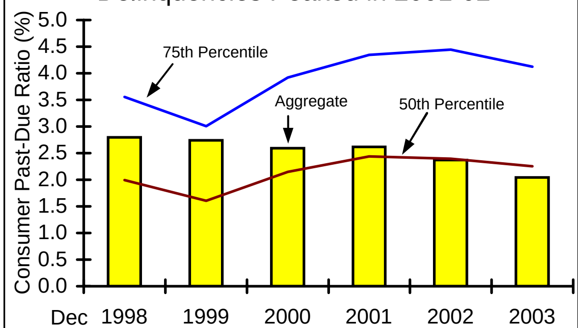
- Rural Missouri's growing elderly population and net out-migration will continue to pressure core funding in the long-term. As elderly depositors pass away, their deposits often follow their heirs, who typically have migrated from rural areas to metropolitan areas.

Chart 4: Insured Institutions Continue to Increase Commercial Real Estate (CRE) Exposure



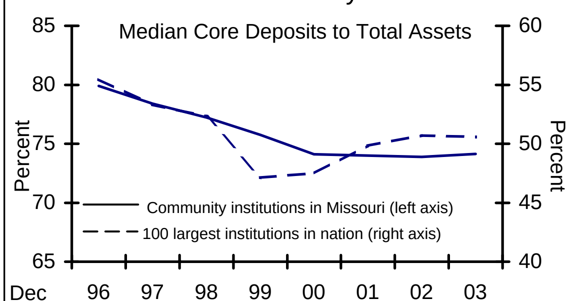
Source: MO bank and thrift call reports, institutions headquartered in MSAs

Chart 5: Missouri's Consumer Loan Portfolio Delinquencies Peaked in 2001-02



Source: Bank & thrift call reports, all insured institutions headquartered in state.

Chart 6: Core Funding Is Holding Steady in Missouri's Community Institutions



Source: Bank and thrift call reports. Community institutions are FDIC-insured institutions with total assets under $250 million headquartered in Missouri.

Missouri at a Glance

General Information	Dec-03	Dec-02	Dec-01	Dec-00	Dec-99
Institutions (#)	377	382	387	401	407
Total Assets (in thousands)	86,845,674	80,328,491	76,708,938	71,586,180	87,476,161
New Institutions (# < 3 years)	6	10	13	17	19
New Institutions (# < 9 years)	37	36	35	34	30

Capital	Dec-03	Dec-02	Dec-01	Dec-00	Dec-99
Tier 1 Leverage (median)	9.02	8.87	8.78	8.96	8.98

Asset Quality	Dec-03	Dec-02	Dec-01	Dec-00	Dec-99
Past-Due and Nonaccrual (median %)	1.66%	1.86%	2.15%	2.07%	1.75%
Past-Due and Nonaccrual >= 5%	31	36	47	39	30
ALLL/Total Loans (median %)	1.20%	1.22%	1.20%	1.17%	1.19%
ALLL/Noncurrent Loans (median multiple)	2.03	2.03	1.86	1.88	2.39
Net Loan Losses/Loans (aggregate)	0.29%	0.33%	0.34%	0.21%	0.22%

Earnings	Dec-03	Dec-02	Dec-01	Dec-00	Dec-99
Unprofitable Institutions (#)	9	9	23	19	14
Percent Unprofitable	2.39%	2.36%	5.94%	4.74%	3.44%
Return on Assets (median %)	1.06	1.03	0.93	0.97	1.01
25th Percentile	0.71	0.68	0.60	0.70	0.70
Net Interest Margin (median %)	3.93%	4.05%	3.91%	4.08%	4.08%
Yield on Earning Assets (median)	5.83%	6.53%	7.74%	8.22%	7.77%
Cost of Funding Earning Assets (median)	1.86%	2.55%	3.88%	4.17%	3.77%
Provisions to Avg. Assets (median)	0.14%	0.15%	0.16%	0.14%	0.11%
Noninterest Income to Avg. Assets (median)	0.64%	0.59%	0.54%	0.52%	0.53%
Overhead to Avg. Assets (median)	2.76%	2.71%	2.72%	2.77%	2.75%

Liquidity/Sensitivity	Dec-03	Dec-02	Dec-01	Dec-00	Dec-99
Loans to Deposits (median %)	81.07%	80.17%	78.39%	79.05%	76.82%
Loans to Assets (median %)	68.52%	67.79%	67.28%	67.28%	65.14%
Brokered Deposits (# of Institutions)	64	56	50	39	34
Bro. Deps./Assets (median for above inst.)	1.78%	2.11%	1.04%	0.87%	1.46%
Noncore Funding to Assets (median)	15.64%	15.96%	15.17%	15.53%	13.66%
Core Funding to Assets (median)	73.27%	73.06%	73.64%	73.93%	75.29%

Bank Class	Dec-03	Dec-02	Dec-01	Dec-00	Dec-99
State Nonmember	258	261	263	272	277
National	45	46	45	48	50
State Member	42	42	43	42	38
S&L	16	17	18	20	21
Savings Bank	15	15	17	18	19
Stock and Mutual SB	1	1	1	1	2

MSA Distribution	# of Inst.	Assets	% Inst.	% Assets
No MSA	229	25,997,844	60.74%	29.94%
Kansas City MO-KS	56	29,371,940	14.85%	33.82%
St Louis MO-IL	51	24,293,056	13.53%	27.97%
Springfield MO	24	4,170,478	6.37%	4.80%
Joplin MO	8	1,305,774	2.12%	1.50%
Columbia MO	5	1,558,652	1.33%	1.79%
St Joseph MO	4	147,930	1.06%	0.17%